



U.S. Department of
Transportation

Office of the Secretary
of Transportation

GENERAL COUNSEL

400 Seventh St., S.W.
Washington, D.C. 20590

FEB 17 2000

73209

OST-99-6410-41

Ms. Janice Katsaounis
Lincoln Travel & Cruises Inc.
627 N. LaGrange Rd.
Frankfort, IL 60423

Dear Ms. Katsaounis:

The White House has asked me to respond to your e-mail of October 8, 1999, concerning the airlines' commission cuts. The American Society of Travel Agents (ASTA) has recently filed a complaint with this Department against a number of airlines (Docket OST-99-6410). ASTA alleges that in cutting the commissions that they pay travel agents, the airlines are engaging in unfair practices **and** unfair methods of competition in violation of 49 U.S.C. §41712.

The airlines filed their responses to ASTA's complaint on December 10. It is now up to the Enforcement Office to review the complaint and responses **and** determine whether, under **our** statute, the complaint should be pursued or dismissed. Under these circumstances, it would be **inappropriate** for me to comment on the substance of your letter. You can track the **pleadings** as well as the Department's actions through our Dockets web site at <http://dms.dot.gov>. Clicking on "search" and then typing "6410" in the space for the **docket** number and again clicking on "search" will bring up a list of all documents in the docket. Each item can be opened.

The Department's *ex parte* rules, 14 CFR Part 300, require that I place your letter and a copy of this reply in Docket OST-99-6410. Please be **assured** that ASTA's complaint will receive careful and thorough consideration.

Sincerely,


Samuel Podberesky
Assistant General Counsel for
Aviation Enforcement and **Proceedings**

U.S. DEPARTMENT OF
TRANSPORTATION
DOCKETS
FEB 29 PM 12:11

100-100T

From: Janice Katsaounis <LincolnTvl@aol.com> on 10/08/99 05:44 AM GMT

To: President@gateway

cc:

Subject: Airline commission cuts and control of the transportation in

[Connection Information]

CLIENT: 152.163.204.33 [152.163.204.33]
BROWSER: Mozilla/2.0 (compatible; MSIE 3.02; Update a; AOL 4.0;
Windows 95)
URL: http://www.whitehouse.gov/WH/Mail/html/Mail_President.html

[Sender Information]

PERSONAL-NAME: Janice Katsaounis
EMAIL-ADDRESS: LincolnTvl@aol.com
ORGANIZATION: Lincoln Travel & Cruises Inc.
RELATIONSHIP: Co-owner
STREET-ADDRESS: 627 N LaGrange Rd
CITY: Frankfort
STATE-PROVINCE: IL
ZIP-CODE: 60423
COUNTRY: USA

[Message Information]

PURPOSE: Seek assistance from the White House
TOPIC: Transportation
AFFILIATION: Small Business Owner or Employee
SUBJECT: Airline commission cuts and control of the transportation
industry

[Message]

Dear President Clinton:

My family and I have been supporters of you and your
administration from the very start.

I am writing to you as a small business owner. My mother and
I have owned our own travel agency for 30 years. As you are
probably aware, the industry has gone through many harsh
changes from an owner's view over the years. Most recently 3
years ago, the airlines chose to cut the commissions they pay
travel agencies from 10 % to 8 % with a CAP of

\$50.00 on domestic tickets and \$100.00 on international
tickets. Many agencies including myself had to pass on nominal
service fees to our clients in

order to make up income.

However, today, United Airlines again decided to bite the hand that feeds them by cutting our commissions another 3% to a low of 5% with the above mentioned CAPS.

The airlines reap the benefit of treating us like dirt and still getting 80% of their business from the travel agent community. They have driven hundreds of agencies out of business, numerous small airlines out of business, and continue to do so at an alarming rate. These new cuts surely will drive many of us out of our businesses that we have **nutured** and grown into established, reputable, and professional operations. What they are trying to do is to get all their business either directly from the consumer or from the internet. Still - 80% is coming from their travel agent "PARTNERS."

Is this the way to treat a partner. These airlines will eventually drive the agencies out of business and then drive the fares to **unaffordable** highs. This will definitely affect the economy of this great nation.

The travel agencies hands are tied. We cannot boycott according to anti-trust laws.

Can you tell me that the airlines have not colluded in these deceptive practices over the years.

Mr. President.... something must be done to save the airline and transportation industry in this country. I see good, hard working, professional people in this country losing their businesses by the force of the hand of the **airlines....namely UNITED, AMERICAN AND DELTA.**

PLEASE STOP THIS....

Our economy will suffer greatly. The transportation and travel industry is a huge industry and this can only have negative effects. PLEASE HELP!! Help restore the dignity, professionalism and profits to our industry. Please consider **reregulation.**

Sincerely,

Janice Katsaounis
Lincoln Travel & Cruises Inc.